

## Message Text

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PAGE 01 STATE 221491

21

ORIGIN NEA-06

INFO OCT-01 ISO-00 EB-03 FRB-01 SP-02 AID-05 NSC-07 RSC-01

CIEP-01 TRSE-00 SS-14 STR-01 OMB-01 CEA-01 CIAE-00

DODE-00 PM-03 H-01 INR-10 L-02 NSAE-00 PA-01 PRS-01

USIA-04 XMB-01 COME-00 SAB-01 SAM-01 NIC-01 /070 R

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FRB:MMARTINSON (INFO)

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R 081822Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY AMMAN

AMCONSUL JERUSALEM

AMEMBASSY TEL AVIV

C O N F I D E N T I A L STATE 221491

E.O. 11652: GDS

TAGS: 3&3,, IS, US, JO

SUBJECT: US BANK DESIRES TO OPEN IN RAMALLAH

1. ROBERT A WALLACE, PRESIDENT OF EXCHANGE NATIONAL BANK OF CHICAGO, CALLED AT DEPARTMENT OCTOBER 3 TO DISCUSS OPENING A BRANCH IN RAMALLAH. WALLACE STATES EXCHANGE NATIONAL, WHICH OPERATES IN ISRAEL AND APPEARS ON ARAB BLACKLIST, HAS BEEN INVITED TO OPEN IN RAMALLAH BY MAYOR KHALAF AND IS INTERESTED IN DOING SO. WALLACE SAYS BANK ANTICIPATES HANDLING ACCOUNTS OF NUMEROUS RAMALLAH RESIDENTS WHO HAVE RELATIVES IN US AND POSSIBLY MAKE SOME LOCAL LOANS. BANK HAS BEEN CONSIDERING RAMALLAH BRANCH FOR SEVERAL YEARS, AND WALLACE VISITED DEPARTMENT ON SAME SUBJECT A YEAR AGO.

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PAGE 02 STATE 221491

WM WALLACE, IN WASHINGTON FOR IMF MEETINGS, HAS DISCUSSED MATTER WITH NABULSI OF JORDAN CENTRAL BANK AND CLAIMS NABULSI TOLD HIM QUOTE GO AHEAD AND DO IT UNQUOTE. NABULSI SAID THAT GOJ COULD NOT FORMALLY AGREE TO OPENING OF BRANCH OF BLACKLISTED FIRM IN RAMALLAH, BUT THAT ONCE JORDAN RETURNED TO AREA IT WOULD BE DIFFICULT TO UPROOT AN EXISTING BANKING INSTITUTION. WALLACE HAS ALSO BEEN IN TOUCH WITH GOI WHICH HE SAYS HAS NO OBJECTION TO EXCHANGE NATIONAL'S OPENING IN RAMALLAH.

3. SINCE COST OF OPENING RAMALLAH BRANCH IS NOT PROHIBITIVE, WALLACE SAYS HE IS PREPARED TO GO AHEAD WITH PROJECT AND ACCEPT UNCERTAINTIES OF WEST BANK POLITICAL FUTURE. EXCHANGE NATIONAL IS PREPARING APPLICATION TO FEDERAL RESERVE FOR RAMALLAH OPENING.

4. OPENING OF BRANCH OF AMERICAN BANK IN WEST BANK COULD HAVE POLITICAL IMPLICATIONS. DEPARTMENT LIKELY BE CALLED ON TO TAKE A POSITION ON THIS ISSUE WHEN EXCHANGE NATIONAL SUBMITS APPLICATION TO FEDERAL RESERVE. WE WOULD APPRECIATE COMMENTS OF ADDRESSEE POSTS, PARTICULARLY EMBASSY AMMAN'S VIEWS ON WHETHER GOJ LIKELY TO REACT AS WALLACE REPORTS NABULSIE DED. KISSINGER

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**To:** AMMAN TEL AVIV  
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